



FY22 FULL YEAR RESULTS



September 2022

This announcement has been authorised for release to the ASX by the CTI Logistics Limited Board of Directors

ASX: CLX

CTI 30 sites across Australia

CTI 500,000 sqm footprint

CTI 1500 workforce



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FY22 HIGHLIGHTS

Resilience during supply chain disruptions demonstrates a robust operating model



RECORD FINANCIAL PERFORMANCE

TRADING	Strong volumes across the year (H1 \$133.5m, H2 \$149.7m)	CAPITAL INVESTMENT	\$12m invested for future growth
OPERATIONAL EXCELLENCE	Significant operating leverage realised in challenging market (experienced management team)	PROPERTY	Significant WA site development, funded by cash flow and undrawn bank facilities
BALANCE SHEET	Debt reduction of \$9m to take advantage of opportunities ⁽¹⁾	VALUE	CTI shares trading on a P/E ratio of 7.2 ⁽²⁾

Note 1: Debt relates to bank loans

Note 2: As at 6 September 2022

SEGMENT FY22 HIGHLIGHTS

Strong demand for CTI services and a focus on operational efficiency



TRANSPORT Interstate, Regional WA and Metro WA	LOGISTICS Warehousing, GMK specialised flooring logistics
✓ Increased freight volumes and project work in warehousing and transport	✓ Optimised leasing footprint to lower \$/sqm and increase utilisation
✓ Supply chain disruption increased demand for premium freight services	✓ Increased competition for storage space, project work and near full utilisation
✓ Improved WA freight margins from higher utilisation, productivity gains and new clients	✓ Reduced Warehousing labour intensity driven by client selection and focus on quality revenue
✓ WA owned development due for completion by March 2023	✓ QLD leased development due for completion by March 2023

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)



ESG INITIATIVES IN FY22

Robust systems and processes driving operational excellence

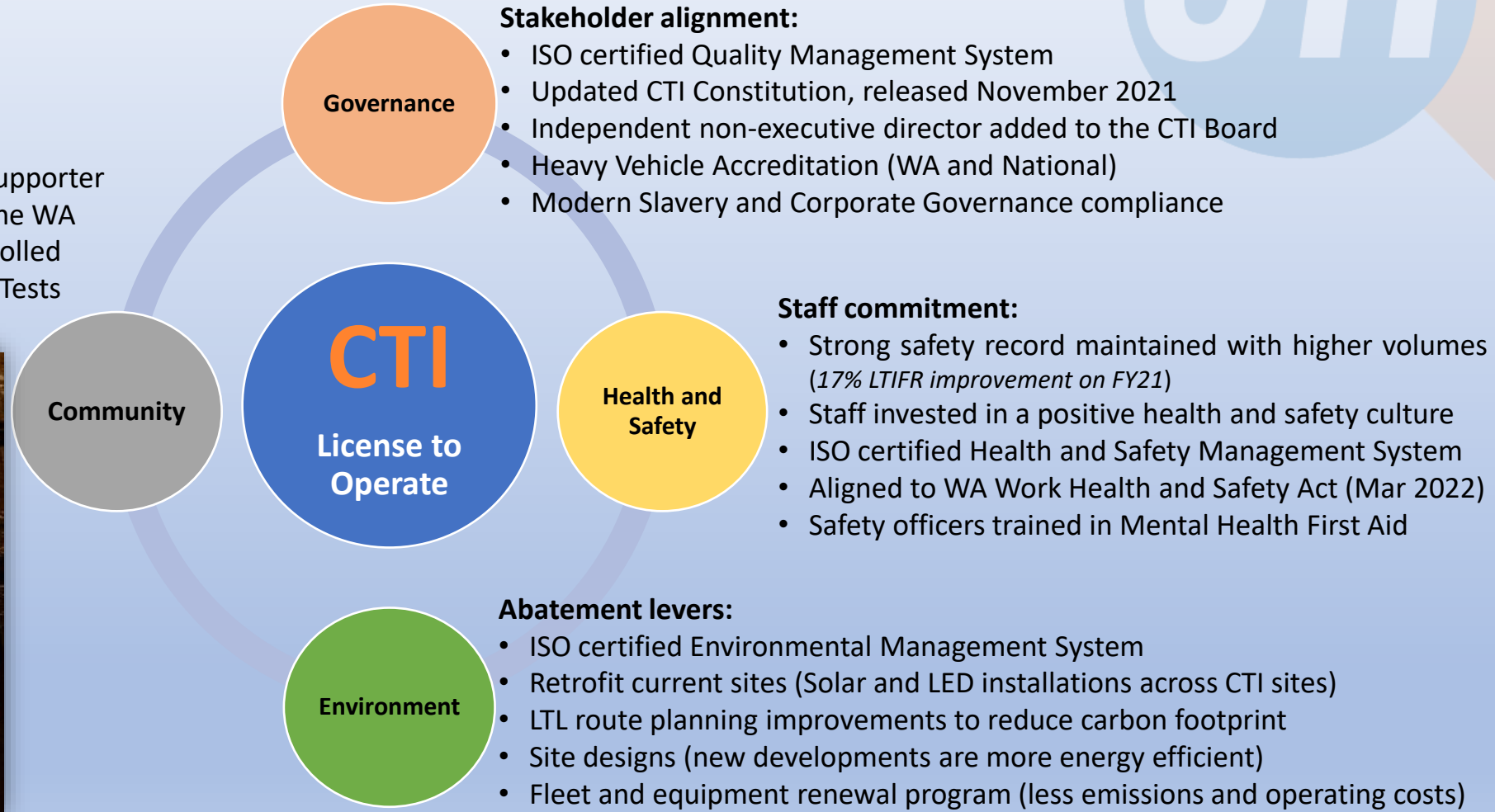


Community support:

- Fair Game – Logistical support
- Edge Employment – Platinum Employer Supporter
- CTI provides critical logistical support to the WA government, including temperature-controlled storage and distribution of Rapid Antigen Tests (RATs) throughout the WA community



CTI distribution centre



CTI LOGISTICS - ISO CERTIFIED

Committed to integrated stakeholder engagement, supported by ISO certification

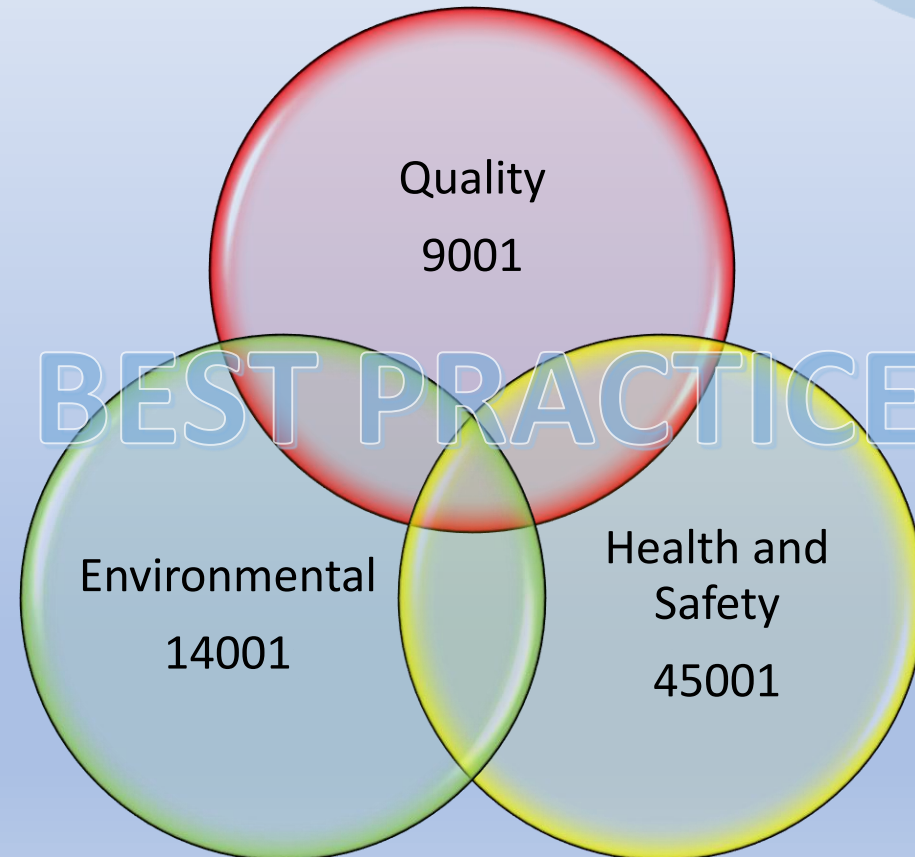


- CTI has achieved International Organisation for Standardisation (ISO) certification across all activities within the CTI group for the following standards:



- CTI is committed to adopting industry best practices to meet and exceed the expectations of our key stakeholders. Customers are placing increased importance on ISO Certification when awarding contracts
- More broadly, ISO Certification demonstrates our commitment to building a culture of operational excellence and continuous improvement as we pursue the highest quality environmental, social and governance (ESG) outcomes

Integrated ISO Management System

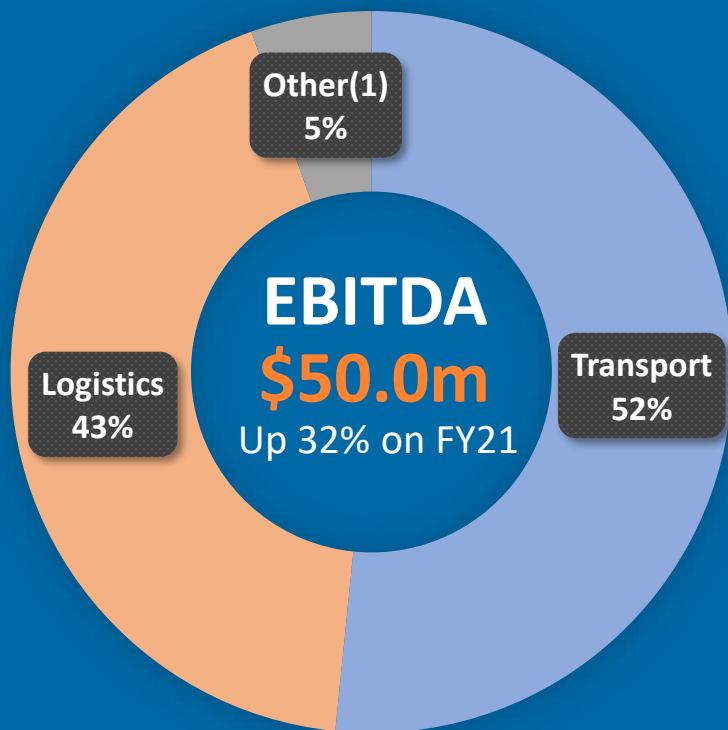


FY22 PERFORMANCE

Our achievements are a testament to the hard work and dedication of our staff around Australia delivering for our customers in a volatile logistics market

FINANCIAL PERFORMANCE

Operating leverage demonstrated by ability to capitalise on high volumes



REVENUE

\$283.2m

Up 19% on FY21

NPBT

\$22.0m

Up 95% on FY21

NPAT

\$15.2m

Up 86% on FY21

EPS

20.2 cps

Up 85% on FY21

NTA

94 cps

Up 24% on FY21

DPS

6.5 cps

Up 63% on FY21

EBITDA Margin **17.7%**
15.8% in FY21

Operating Cashflow **\$39.9m**
Up 28% on FY21

TRANSPORT SEGMENT PERFORMANCE

Capitalised on higher volumes in a challenging environment



Transport profit and loss (\$m)	FY22	FY21
Transport Revenue	173.1	139.6
<i>Transport Revenue growth %</i>	24.0%	
Transport EBITDA	25.8	13.2
<i>Transport EBITDA margin %</i>	14.9%	9.5%
Transport PBT	16.2	5.5
<i>Transport PBT margin %</i>	9.4%	3.9%

Note 1: Segment revenue and margin % excludes internal revenue

Strong revenue growth of 24% on last year

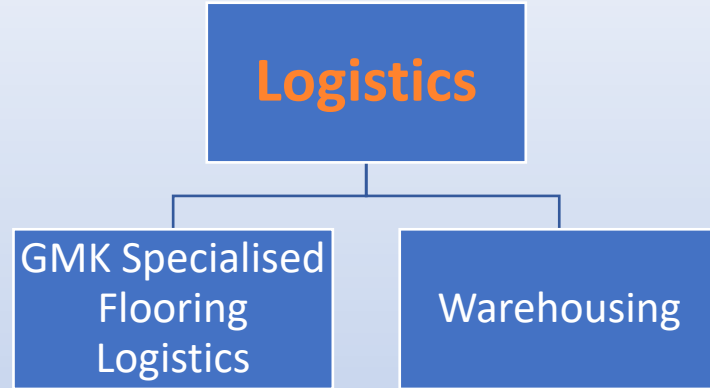
- Increased freight volumes across the transport network
- Increased levels of project work in WA regional freight, including the addition of the Port Hedland depot to the network
- Interstate freight benefited from supply chain disruptions

Margin improvement despite cost pressures

- Strong demand for premium freight services
- EBITDA margin of 14.9% increased significantly on last year
- Cost control and operational efficiencies
- Challenging labour market and adverse weather events
- Staff absenteeism from Covid and Flu

LOGISTICS SEGMENT PERFORMANCE

Focused on higher margin customers and optimised the footprint



Logistics profit and loss (\$m)	FY22	FY21
Logistics Revenue	103.8	93.1
<i>Logistics Revenue growth %</i>	<i>11.5%</i>	
Logistics EBITDA	21.5	22.4
<i>Logistics EBITDA margin %</i>	<i>20.7%</i>	<i>24.0%</i>
Logistics PBT	6.8	6.5
<i>Logistics PBT margin %</i>	<i>6.6%</i>	<i>7.0%</i>

Note 1: Segment revenue and margin % excludes internal revenue

Strong revenue growth of 12% on last year

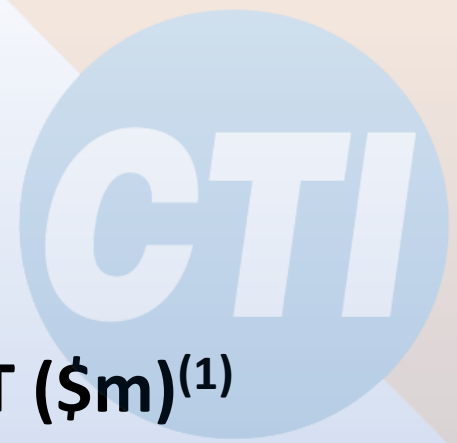
- Increased volumes in both the flooring sector and warehousing
- WA warehousing and minerals and energy project work
- Focus on revenue quality
- Supply chain disruption resulted in lower storage revenue

Margin impacted by supply chain disruptions and system improvements

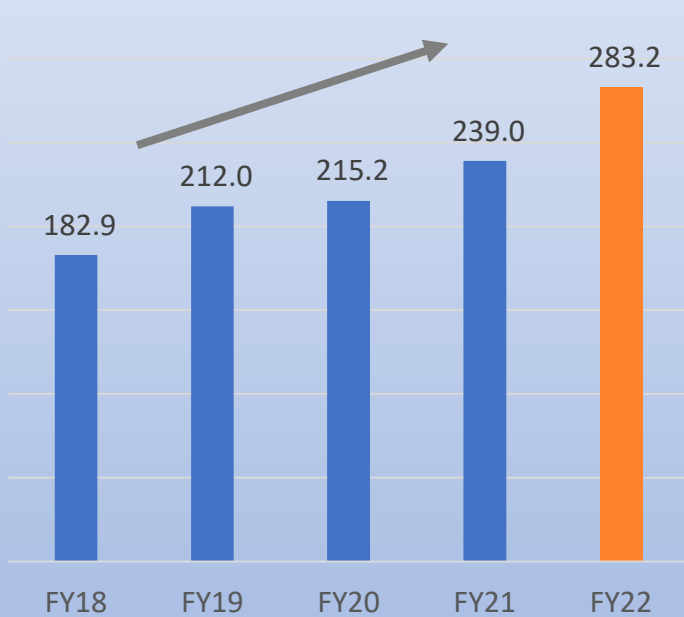
- Margin percentage is slightly down (increased volatility)
- Productivity gains flowing from successful system implementations
- Optimised lease footprint and prioritised higher margin customers
- Rising wages and costs associated with site transfers/closures

REVENUE AND EARNINGS

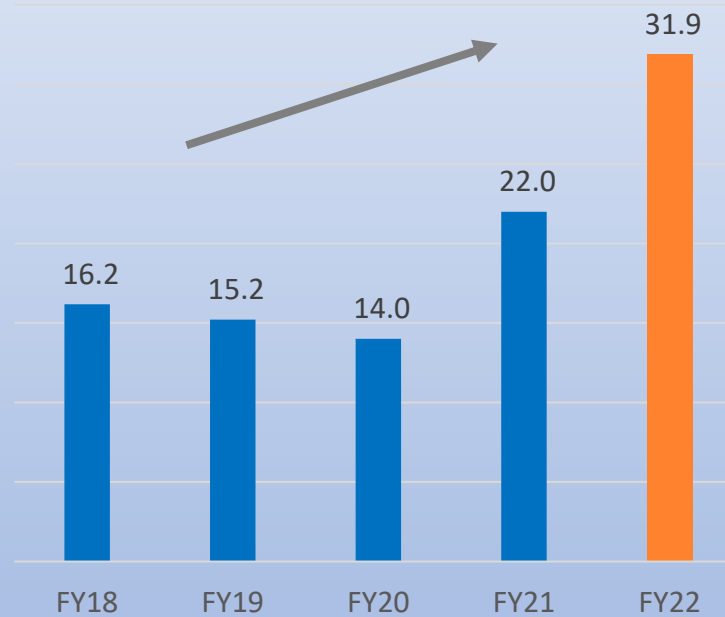
Consistent growth from ongoing investment and increasing scale



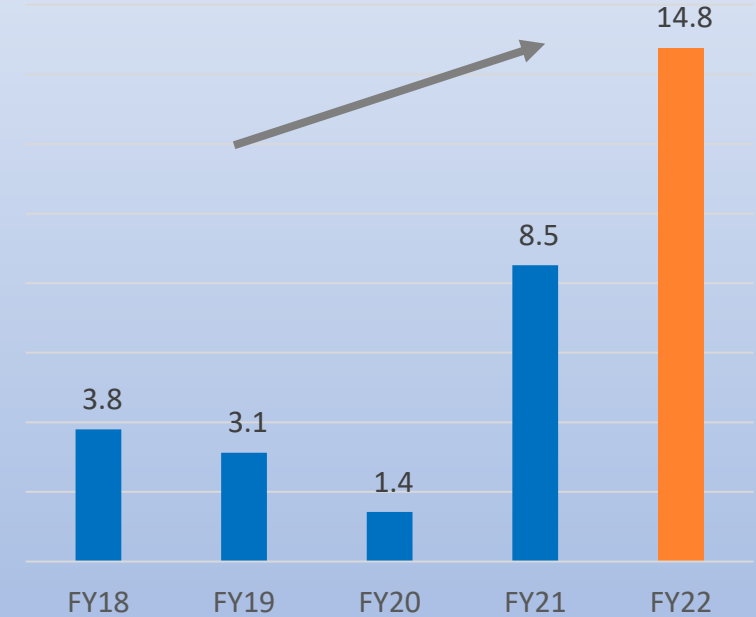
Revenue (\$m)



EBITDA (\$m)⁽¹⁾

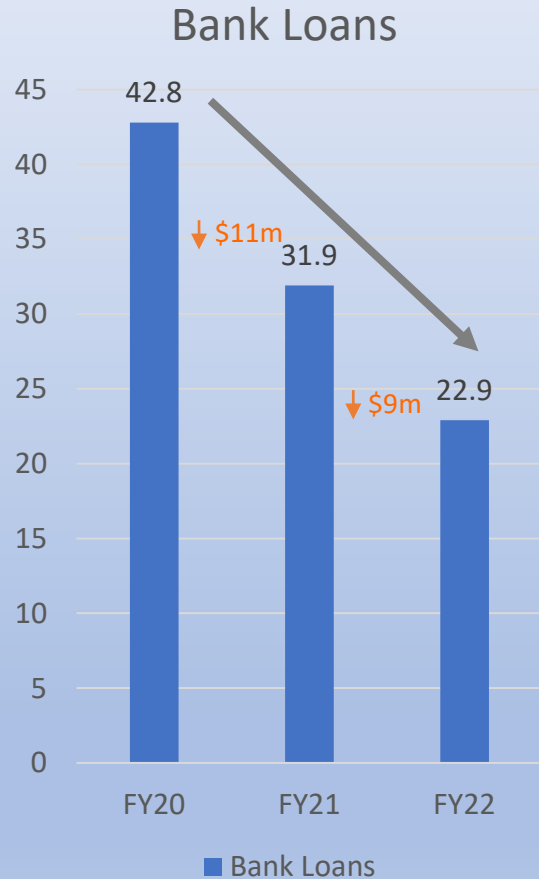


NPAT (\$m)⁽¹⁾



CASH FLOW AND FINANCIAL RISK MANAGEMENT

Conservative gearing: Hazelmere WA development supported by strong cash flow



Strong cash generation and working capital management

- Operating leverage, focus on quality revenue, cost control and systems
- \$39.9m operating cash flow and strong conversion of EBITDA to cash
- Receivables written-off is consistently low at 0.03% of revenue

Balance sheet positioned for growth

- Stable liquidity position with cash of \$9.4m
- Net assets increased by 14% to \$101m
- Bank loans down by \$9.0m to \$22.9m reflecting robust cash flow
- Available capital - borrowing facility of \$26.0m plus cash of \$9.4m
- Gearing down from 54% to 46%⁽¹⁾, supported by owned property portfolio (including AASB 16 Leasing Liabilities)

Note 1: Gearing ratio - Calculated as net debt (including borrowings, trade and other payables less cash and cash equivalents) divided by total capital (equity plus net debt)

CONSOLIDATED BALANCE SHEET

Reduced debt, strong cash position and \$12m capital investment



	June 2022 (\$M)	June 2021 (\$M)	Commentary
Assets			
Cash and cash equivalents	9.4	6.5	➤ Strong cash generation with focus on available cash for increased liquidity
Receivables and prepayments	38.9	33.1	➤ Debtors include trade and other receivables, prepayments and expected tax refunds
Inventories	0.2	0.3	
Current Assets	48.5	39.9	
Property, plant and equipment	90.6	88.1	➤ \$11.7m of asset additions (net of disposals and depreciation for the period)
Investment properties	2.2	2.2	➤ One remaining non-core investment property
Deferred tax assets	1.2	3.2	➤ Deferred tax asset including asset related to AASB 16
Right-of-use assets	35.3	45.3	➤ Right-of-use asset per AASB 16
Intangibles	29.6	31.1	➤ Goodwill, customer relationships, brand and trade names (net of amortisation of intangible assets)
Other	0.1	0.1	
Non-current assets	159.0	170.0	
Total assets	207.5	209.9	
Liabilities			
Trade and other payables	23.4	20.2	➤ Increase in trade payable, accruals and current tax liability
Lease liabilities	19.2	17.4	➤ Short term portion of lease liabilities per AASB 16 (including hire purchase liabilities)
Provisions	8.3	6.9	➤ Short term portion of leave provisions
Current liabilities	50.9	44.5	
Lease liabilities	30.9	42.5	➤ Long term portion of lease liabilities per AASB 16 (including hire purchase liabilities)
Loans and borrowings	22.9	31.9	➤ Conservative gearing, repayment of \$9m of bank loans
Provisions and other liabilities	2.0	2.6	➤ Long term portion of leave provisions
Non-current liabilities	55.8	77.0	
Total liabilities	106.7	121.5	
Total Net Assets	100.8	88.4	➤ Increase in net assets from profit after tax
Shares on issue	78.4	77.9	➤ Issue of DRP and BSP shares
NTA per share (cps)	0.94	0.76	

CAPITAL & PROPERTY DEVELOPMENT

SAFETY FIRST @ CTI

CTI Committed
Trained
Informed

- Drive safely & maintain vehicles
- Forklift awareness
- Housekeeping & PPE
- Report incidents & hazards

CTI Logistics

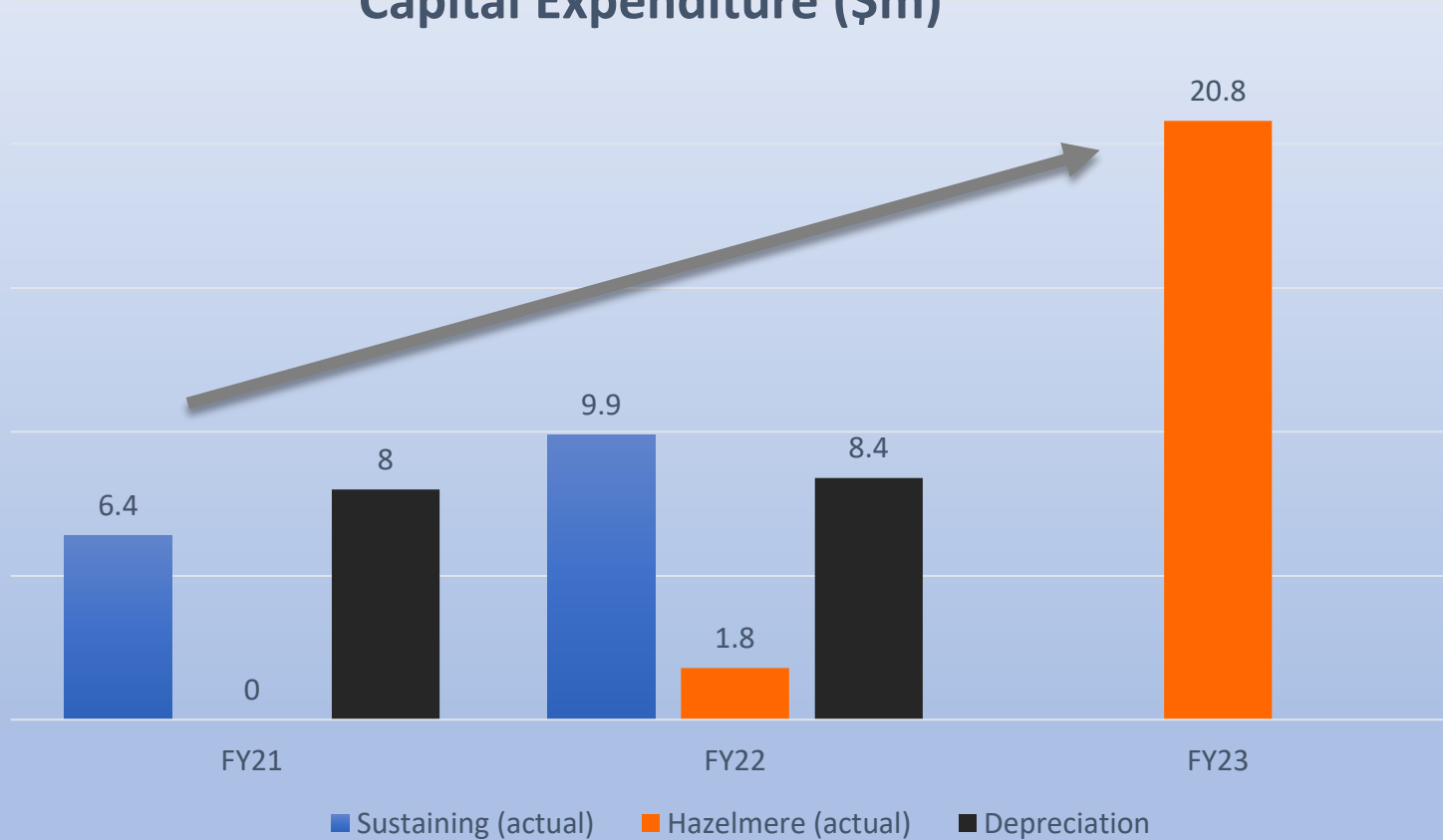


DISCIPLINED CAPITAL ALLOCATION

Investment in income generating assets to capitalise on synergies and lower operating costs



Capital Expenditure (\$m)



Hazelmere WA development:

- Expanded capacity and returns generated on previously undeveloped company land, due for completion March 2023

Sustaining capital:

- Sustaining capital allocated to upgrade vehicles, improving safety and reducing maintenance and fuel costs (\$6.2m committed spend as at 30 June 2022)

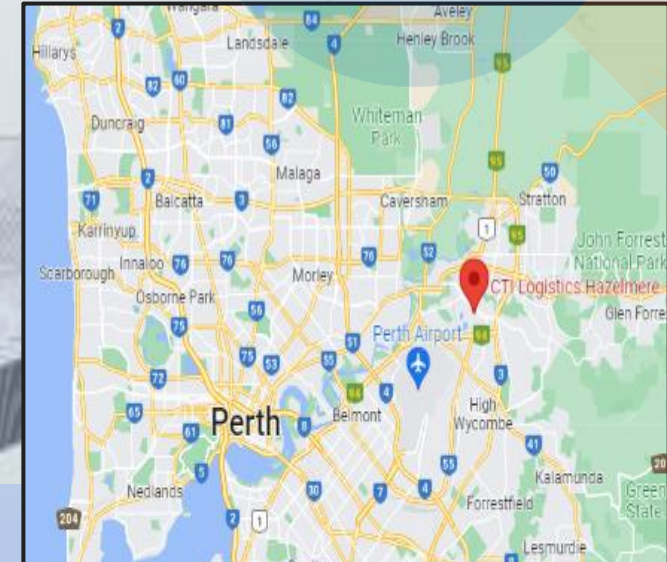
Hazelmere capital: Includes Lakes Road development, excludes Bushmead Road development
Sustaining capital: Includes property, plant, equipment and motor vehicles, excludes amortisation of Trade Names and Customer Relationships and depreciation on ROU assets

PROPERTY PORTFOLIO OPTIMISATION

CTI transport development in Hazelmere WA



- 61,000 sqm site, 23,000 sqm facility
- Includes solar panels and LED lighting
- 2 loading docks, 32 roller doors, 10m roof clearance under gutter and 800 sqm office



Purpose-built transport hub development in Hazelmere (Lakes Road):

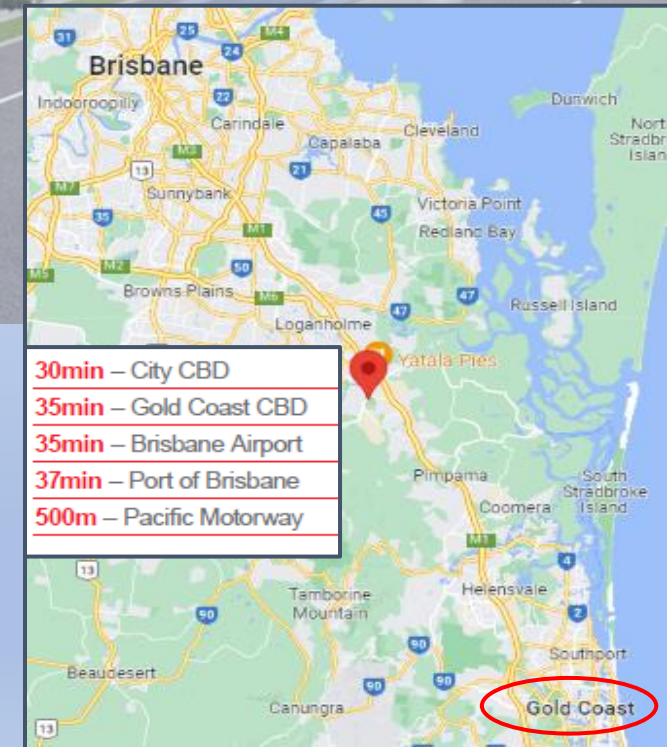
- Significant company investment to expand WA metro and regional transport capacity
- Site is due for completion by March 2023 with access to major transport routes
- Located adjacent to existing CTI distribution centre (Bushmead Road), allowing for operational synergies
- Reduced leasing costs and generate returns from an undeveloped site
- Development is funded by cashflow and existing bank facilities
- Remaining ~33,000 sqm of adjacent CTI land provides further development options

PROPERTY PORTFOLIO OPTIMISATION

CTI distribution centre development in Yatala QLD



- 48,000 sqm site, 23,000 sqm facility
- 12 loading docks, 9 roller doors, 11.5m roof clearance and 512 sqm office
- Includes solar panels, LED and rainwater storage for irrigation/bathrooms
- Located on the M1 Pacific Motorway



Purpose-built leased development in QLD to facilitate growth:

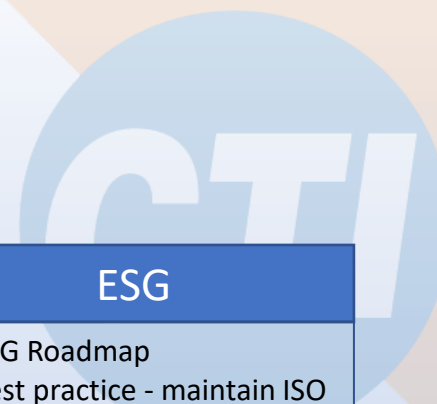
- Site is due for completion by March 2023 and consolidates two CTI sites in QLD
- Strategically positioned between Brisbane and the Gold Coast
- Allows CTI to leverage operational synergies, reduce rent and facilitate growth
- 5-star Green Certification⁽¹⁾, lowering CTI's carbon footprint and operational costs
- The Gold Coast is Australia's largest non-capital city and one of the fastest growing
- The region is expected to benefit from the 2032 Brisbane Olympics



FUTURE DIRECTION

FUTURE DIRECTION

Investment in capability to take advantage of growth opportunities



MARKETS

- Forecasting remains difficult in the current environment
- Expect transport margin normalisation over the medium term
- Expect steady growth in logistics
- Global shift from 'just in time' to 'just in case' supports inventory levels
- Labour market expected to remain tight
- ESG awareness amongst stakeholders



FUTUREPROOF

- Experienced management team
- Strong reputation
- Diversified customer base
- Robust operating model through economic cycles with significant operating leverage
- Property ownership provides certainty and optionality
- Investment in cyber security resilience
- Data analytics



GROWTH

- Strong balance sheet
- System capability
- Continue to build metro and regional distribution networks
- Assess opportunities for expansion and growth,
- Leverage 3PL/4PL partner network to capitalise on national opportunities
- Target opportunities consistent with current work profiles to improve utilisation and productivity



PROPERTY

- Strategically located national footprint
- Capacity investments in SA (FY22), WA/QLD (FY23) and NSW/VIC (FY24) expected to generate future returns
- Significant value generated from owned property portfolio
- Complete Hazelmere WA development (March 2023)
- Complete Yatala QLD development by March 2023



ESG

- ESG Roadmap
- Best practice - maintain ISO certification for quality, safety and environment
- Focus on governance initiatives to support a robust operating model
- Continue to support communities in which we operate
- Emission intensity reduction (vehicles, equipment, developments)



APPENDIX



CORPORATE DASHBOARD



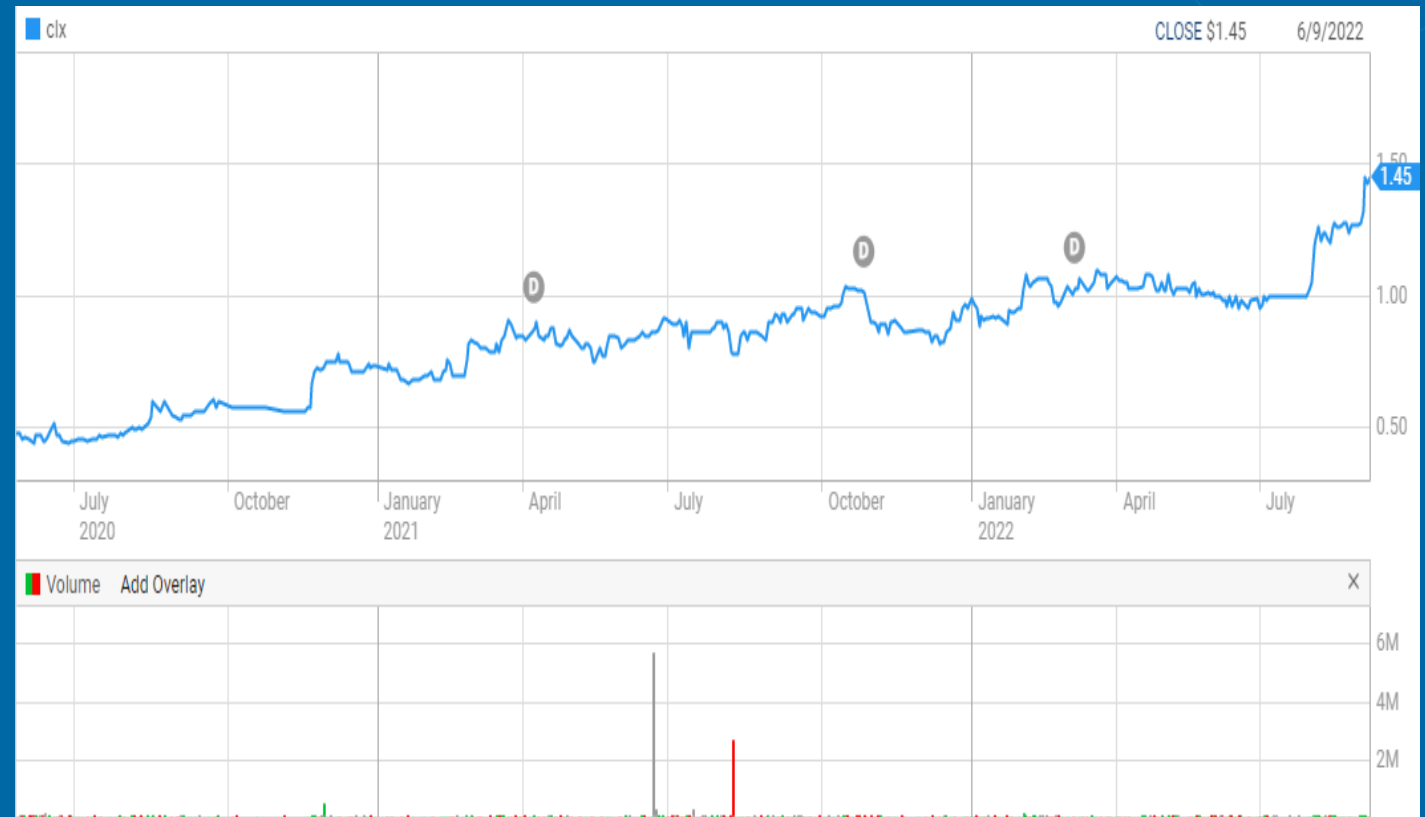
Shareholders 31 July 2022

	FPO	% of Issued Capital
1 David R Watson	25,533,795	32.56%
2 Dynamic Supplies Investments Pty Ltd	9,708,025	12.38%
3 Simon Dirk Kenworthy-Groen	3,863,536	4.93%
4 Parmelia Pty Ltd	3,730,961	4.76%
5 David A Mellor	3,390,944	4.32%
6 Bruce E Saxild	3,014,725	3.84%
7 CITI Corp Nominees Pty Ltd	2,104,820	2.68%
8 HGL Pty Ltd	2,003,594	2.55%
9 Dixon Trust Pty Ltd	1,686,633	2.15%
10 NCH Pty Ltd	1,411,359	1.80%
Other	21,982,491	28.03%
Total	78,430,883	100.00%

Corporate Information

ASX Code	CLX
Shares on Issue	78.4M
Options on Issue	Nil
Share Price at 6 September 2022	\$1.45
Market Capitalisation	\$112M

Share price and trading volume



Source: asx.com.au

DIVERSE CUSTOMER BASE



TRANSPORT SERVICES



Couriers	<ul style="list-style-type: none">▪ On-demand express metro and outer metro services
Parcels	<ul style="list-style-type: none">▪ Same day and overnight distribution, E-commerce “last mile” B2B / B2C and one to two runs per day services
Taxi Trucks	<ul style="list-style-type: none">▪ On demand express services and exclusive hourly hire services; vehicles include two tonne to semi-trailers
Fleet Management	<ul style="list-style-type: none">▪ Provision of dedicated trucks and trailers on permanent hire
Regional Freight	<ul style="list-style-type: none">▪ Scheduled road services to South West and North West of WA; vehicles include rigids to triple road trains
Specialised Services	<ul style="list-style-type: none">▪ Rail and wharf container handling, truck mounted cranes, tail lift vehicles and hot shot services
Interstate Freight	<ul style="list-style-type: none">▪ Scheduled road and rail services to and from Perth, Adelaide, Melbourne, Sydney and Brisbane

LOGISTICS SERVICES



Warehousing	<ul style="list-style-type: none">▪ Australia wide 3PL, 4PL, supply chain and overflow warehousing▪ Contracted distribution centre services▪ Bulk product storage▪ Consolidation services	<ul style="list-style-type: none">▪ Cross Docking▪ Temperature controlled and food grade (HACCAP)▪ Specialised warehousing
E-commerce Fulfilment	<ul style="list-style-type: none">▪ Inventory storage and management▪ Pick and pack▪ Labelling, reworking and kitting	<ul style="list-style-type: none">▪ Order shipments▪ Reverse logistics management
CTI Projects	<ul style="list-style-type: none">▪ Supply base warehousing and asset management▪ Project labour services▪ Plant and equipment hire	<ul style="list-style-type: none">▪ Quarantine cleaning and fumigation▪ Asset preservation shrink wrapping▪ Minerals and energy projects
Flooring Services (GMK)	<ul style="list-style-type: none">▪ Specialised warehousing▪ Carpet and vinyl cutting services	<ul style="list-style-type: none">▪ Specialised Australia-wide distribution network

OTHER SERVICES



Document Management	<p>Document and Sample Storage</p> <ul style="list-style-type: none">▪ Secure storage▪ Cataloguing and retrieval of document▪ Computer media and mineral samples	<p>Document Destruction</p> <ul style="list-style-type: none">▪ On-site destruction of documents/media and recycling▪ Closed loop service utilising CTI transport and warehousing facilities
Security	<p>Monitoring</p> <ul style="list-style-type: none">▪ ASIAL A1 graded 24/7 control room▪ Monitoring of alarms, lone worker protection, medical alerts and CCTV video verification for CTI Security clients and third party security businesses	<p>Installation for residential and commercial markets</p> <ul style="list-style-type: none">▪ Installation and servicing of monitored alarms▪ CCTV▪ Access control products

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